

[CSAC Letterhead Omitted]

September 3, 2009

Mr. Mike McKeever
Chair, Regional Targets Advisory Committee
c/o Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

Re: CSAC Comments on Working Draft RTAC Report

Dear Mr. McKeever:

The California State Association of Counties (CSAC) would first like to thank you and your fellow Regional Targets Advisory Committee (RTAC) members, and the staff at the California Air Resources Board (CARB) for the tireless efforts over the past seven months to develop the working draft report on the recommended factors to be considered and the methodologies to be used for the regional greenhouse gas (GHG) emissions reductions target setting process.

We recognize that the issues before the committee have been numerous, diverse, and challenging to say the least and that the committee felt compelled to discuss and get involved in issues related to SB 375 yet not specifically required of the RTAC. It is to be expected in order to garner a technical understanding of the measure and its requirements. CSAC also understands the difficulty in separating target setting from other aspects of SB 375 such as the Sustainable Communities Strategies and Alternative Planning Strategies. Further, we understand that there are a host of important issues related to the ultimate implementation of SB 375 that are outside of the target setting process and the RTAC's direct mission.

At the same time, CSAC's concerns are with the sections of the draft report that we find reach beyond the direct purpose of the RTAC pursuant to SB 375. We have provided suggested changes to the report and attached a mock-up of three sections (Local Government Barriers, State Actions to Support SB 375 Implementation, and Federal Transportation Funding and Supporting Policies) for your consideration in updating the draft report.

In recognition of the informed and significant debate that occurred within the RTAC, we support the recommendations regarding the target setting process, which we believe represent a rational and equitable means for this important first step towards implementation of SB 375. We understand that a lot of work

remains on both the technical aspects of the modeling utilized, as well as, political support for this approach in order for these efforts to succeed.

Again, we commend the RTAC for an important and difficult task well done on the target setting process. We would hope that controversy surrounding policy recommendations that we find outside the charge of RTAC pursuant to SB 375 would be reconciled before final release of the report.

Thank you in advance for your consideration of our recommended changes. We look forward to further discussions.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Dickinson". The signature is fluid and cursive, with the first name "Roger" and last name "Dickinson" clearly distinguishable.

Roger Dickinson
Supervisor, County of Sacramento
Member, Regional Targets Advisor Committee

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Local Government-~~Barriers~~ Challenges

The Scoping Plan uses the term “essential partner” when describing the important role that local government will play in achieving reductions in GhG emissions. SB 375 poses a new set of challenges for local government and the findings correctly state that “local governments need a sustainable source of funding to be able to accommodate patterns of growth consistent with the state’s climate, air quality, and energy conservation goals.” SB 375 also recognized the importance of rural sustainability and acknowledged the importance of financial incentives for local governments that fulfill this role. SB 375 specifically acknowledged the fiscal dilemma for jurisdictions that do not pursue development, but rather contribute towards the GhG reductions by protecting resource areas and farmland. The challenge will be to reconcile these goals with the responsibility of local governments to create safe, healthy, economically diverse, and fiscally sound communities.

1. The Growth Issue

Cities and counties are required by the state to provide housing for a growing population and they must continue to *grow* their local economies in order to pay for infrastructure and services and provide local jobs while they work to *reduce* carbon emissions. SB 375 is not a “no growth” bill and should not be implemented in a manner that turns it into one. Local agencies will need tools, such as education, retraining, state financial assistance, revenue raising authority, and loans and credits to make a smooth transition. Without such resources, it will be difficult to ask local elected officials to make decisions that may reduce emissions while placing their communities and the state at an economic disadvantage.

2. The Planning ~~Problem~~Challenge

SB 375 adds new planning requirements for MPOs, envisions that local governments will ultimately amend their general plans and zoning to help implement the Sustainable Communities Strategies adopted by the MPOs, but it does not appropriate any new funds for this purpose. A companion bill, SB 732 may make \$90 million available for MPOs and local governments for “sustainable planning,” but this is not nearly enough when a typical general plan (including public outreach and CEQA review) can exceed \$500,000 in a small community and millions in larger ones. Planning departments ~~are~~ reliant rely on city or county general funds and on developer fees to fund staff positions and both of these revenue sources have suffered in recent years. In the current economy, many cities and counties have had to cut back planning staff—precisely at the time more planning is needed if SB 375 is to live up to its promise. Planning resources for RTPs and compatible local general plans will be critical to the success of SB 375.

3. The Infrastructure ~~Problem~~Challenge

Mixed-use, higher density development in infill areas must often overcome deficiencies in existing infrastructure such as inadequate sewer or water capacity. Other infrastructure needs can include items such as fire equipment that can make seventh story rescues, walkable paths, usable bike lanes, parks, sufficient police enforcement, and quality schools. In particular, current transportation funding available for operations and maintenance of the city street, county road and transit systems falls woefully short of the needs. Further, the local transportation system serves as the right of way for transit and other alternative modes thus will be relied upon even more in meeting the SB 375

goals. California's fiscal structure severely constrains the ability of local agencies to raise revenues to address these needs. Developers can only be required to pay their proportional share of the impact, not for repairing existing deficiencies. And it is difficult ~~virtually impossible~~ for local agencies to get voter approval on measures that require a two-thirds majority for any reason, let alone to support new development.

4. Conflicting State Mandates and Policies

The state must develop an approach to reconciling conflicting mandates and policies. The most recent example of conflicting state policies is the disconnect between a emissions reduction strategy that encourages infill in built out areas and the state budget that raids the best source of funding such development: redevelopment dollars. Another example is the elimination of Williamson Act revenues, critical in the effort to preserve farmland. Another concern~~example~~ is the conflict between reducing greenhouse gas emissions by locating more housing within existing transit corridors and the public health risk caused by existing air particulates in these same areas. Similar conflicts will arise with state housing policy, budget proposals to eliminate basic operations and maintenance monies for transit and the local transportation system, ~~coastal or farmland preservation goals,~~ and a number of other policies.

5. Making it Understandable

As the branches of government closest to the people, it will often be up to city and county officials to act on and explain the reasons for carbon saving strategies. These officials will need support in developing reports and information and packaging it in a way that the broader public can easily understand. If the public is confused or cannot draw a connection between the action taken and the benefits to the community, they are likely to object and register their dissatisfaction next time they vote.

6. Resources as Incentives Realignment

The resources needed to achieve the SB 375 goals and encourage make these the necessary land- use changes and appropriate transportation strategies work, are many. Planning monies are needed for comprehensive general plan updates compatible with the new SCS and RTPs. Acquisition and conservation monies should be targeted to jurisdictions that have resource areas. Transportation revenues available to regional agencies for expansion and capital improvements should must be targeted realigned to flow to those cities and counties with general plans and programs that are consistent with regional plans. Consistent with SB 375, financial incentives should be made available to jurisdictions that preserve resource areas and farmland, and to counties that do not pursue development in order that they may meet countywide service responsibilities.

State Actions to Support Implementation

The RTAC recommends the State consider the following actions to support the implementation of SB 375.

1. Transit Funding

- Address the discontinuity between the elimination transit funding in the budget and mandates of SB 375. Public transit is a key tool in reducing greenhouse gas emissions. The state of California has approved mandates to reduce greenhouse gas emissions but has eliminated funding for public transit in the state budget. The state should ensure that its budgets are consistent with its policies on greenhouse gas reductions.

2. Local **Transportation** System Funding

- The city street and county road system is relied upon as the right of way for transit, cycling, pedestrians, etc., yet budget proposals would have eliminated the local portion of the state gas tax or highway user tax account (HUTA) funding. The local HUTA serves as a critical source for the operations and maintenance of this system. A safe and efficient local transportation network is critical to creating viable, livable communities.

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23. Redevelopment & Planning Funding

- In the short term, Restore and make permanent redevelopment funds.
- Support infrastructure modernization funding to overcome imbedded disincentives to redevelopment.
- Encourage the Strategic Growth Council to expedite the distribution of Prop 84 funds to assist state and local entities in the planning of sustainable communities.
- In the long term, provide a stable source of additional funding to fully enable local governments to meet the planning challenges presented by SB 375.
- Adopt SB 406P providing the local authority to impose a surcharge on motor vehicle registration for the purpose of developing a sustainable communities strategy.

4. Redevelopment Funding

- Restore and protect the property tax increment for redevelopment from future state raids.
- Support infrastructure modernization funding to overcome imbedded disincentives to redevelopment.

35. Affordable Housing Funding

- Pass SB 500 to provide Provide a permanent funding source for affordable housing.

46. Regulatory Tools

- Provide additional tools for local governments to achieve GHG reduction targets (i.e. enabling fuel fees, allowing road and congestion pricing).

57. Modeling Improvements

- State support in obtaining funding for MPOs to develop and implement enhanced models, including activity-based model, land use model, 4-D models, and advanced air quality modeling tools.
- State support for standardizing modeling assumptions such as consistent methodologies for estimating gasoline price and fuel efficiencies.
- Conduct a Statewide Year 2010 Household Travel Survey to support development of enhanced modeling tools. The survey needs to be comprehensive and of sufficient detail for MPOs to develop/enhance Regional Models (including Activity-Based Models). A focused statewide approach towards household surveys will not only benefit all MPOs from the economy of scale (larger sample size at lower cost) but will also elevate the expertise and survey quality.
- State support for an integrated ~~Statewide~~ statewide travel demand and land use model to address inter-regional travel and provide a platform for MPO model enhancement and collaboration.

- State support to develop and automate a statewide data system to support both the State's and MPOs' modeling efforts. Example - Enhanced VMT forecasting tools and supporting data, HPMS, and enhanced traffic count program.
- State support for a state body to facilitate the development of travel demand model development guidelines and model validation standards for use by California MPOs. In addition, the body would develop a set of evaluation criteria to enhance the Model Peer Review process.
- State support for establishing a statewide metropolitan cooperative research program. Large costs are involved in both improving current and developing more advanced models. Rather than having these costs duplicated at each MPO, it would be beneficial to pool resources for such activities as enhancements of existing models, development of new models, implementation procedures, and staff training programs.

6. Other

- Conduct a statewide housing market survey.

Federal Transportation Funding and Supporting Policies

When he signed SB 375 into law, Governor Schwarzenegger signaled California's commitment to improve land use patterns and transportation policies and investments in the name of addressing climate change. While several individual federal legislators have indicated their commitment to this issue, no similar federal legislation has been passed, and the rest of the nation is watching closely as California embarks on implementation of SB 375. Two major pieces of upcoming federal legislation—a climate bill and the re-authorization of the six-year transportation spending bill—present opportunities to advance reform that will both help ensure California is successful in implementing SB 375 and encourage improved land use planning to meet climate goals nationwide. Specifically, RTAC recommends three ~~three~~ categories of reform: 1) Climate funding for improved transportation planning; 2) Integration of greenhouse gas emission reduction into the current transportation planning process; ~~and and~~ 3) Removing policy barriers ~~and providing incentives~~ to effective 375 implementation. ~~n. n.~~

1. Climate Funding for Transportation Planning

The transportation sector is the second largest (28%) and fastest-growing contributor to greenhouse gas emissions (GHG) in the U.S., in large part due to steadily rising trends in the number of miles that cars and light trucks travel each year. Despite some recent stagnation attributable to the economy, driving—or vehicle miles traveled rates—has grown by three times the rate of population growth over the past 15 years and is expected to grow by 50% by 2030, largely because the majority of our communities have been designed in ways that give people no other option but to drive everywhere. *Since transportation is such a significant contributor of greenhouse gases, policies to improve the efficiency of the transportation system must be a central component of the solution.*

RTAC recommends that:

- 10% of funds generated from the auction of carbon emissions allowances from any future cap and trade system be set aside to fund regional transportation planning that reduces greenhouse gas emissions.
- A small portion of this funding should be set aside to improve research, data collection, and tools to measure and evaluate the greenhouse gas impacts of transportation projects and plans. Regions' ability to measure and monitor results is

also key to facilitate a move toward performance-based accountability within the program.

- A significant proportion of the funding should be allocated competitively, based on performance, to regions that adopt, and demonstrate progress towards attainment of greenhouse gas emission reduction targets. **Because California is leading the charge with implementation of SB 375, MPOs that adopt SCSs will be well positioned to compete for new federal climate funding that is tied to GHG reduction targets.**

2. Integration of GHG Reduction into Transportation Planning

Climate change has received much recent attention at the federal level and policy makers, stakeholders and regulators are talking about the best programs to reduce GHG emissions. The next federal transportation bill is likely to be a \$500 billion package of investments. Those committed to finding solutions to climate change should recognize that a properly designed transportation bill, could potentially leverage half of a trillion dollars to dramatically and cost-effectively reduce GHG emissions. Spent poorly, this funding can serve to undermine the valiant efforts to address climate change by continuing business as usual transportation and land use planning resulting in ever increasing rates of driving.

RTAC recommends that:

- The transportation bill should establish clear national transportation objectives, consistent with reducing carbon emissions, oil savings and congestion mitigation. HR 2724 provides an example of the type of national transportation objectives that should organize future spending.
- State and regional long-range transportation blueprint plans should incorporate GHG reduction goals, with funding tied to implementing projects.
- Local governments play an absolutely vital role in the successful implementation of SB 375 in California. Unfortunately, many local governments are facing severe funding shortfalls, and funding for comprehensive planning is in short supply. The transportation bill should create a new program that sets funding aside for states and MPOs to provide incentive grants to local communities to update zoning and support local projects that achieve regional blueprint goals.

3. Leveling the Playing Field for Public Transportation Removing Policy Barriers and Providing Incentives to Effective SB 375 Implementation

RTAC members have repeatedly discussed declining state funding available to fund construction and operations of public transportation. A natural question, then, would be: what sources of federal funding are available to assist struggling transit agencies, and how can California's communities access these funds?

The legacy of the last fifty years of the federal transportation program is the creation of the interstate highway system. Over the life of the program, over 80% of funding has gone to highway programs and roughly 20% to transit. While every metropolitan area in the nation has an extensive highway system, few have a regional fixed-guideway transit network or complete bus network. Federal transit funding cannot be used for local operating assistance, except in communities under 200,000.

Federal transit funds also come with more federal requirements and hurdles than federal highway money including requirements for an additional alternatives analysis for

proposed transit projects, a detailed screening process for any new fixed guideway transit, and greater scrutiny of grant programs.

In addition, administrative disincentives to funding public transportation have also created an unlevel playing field between transit and highway expansion – specifically, a lower federal match ratio for transit projects recommended for funding and a complex and cumbersome approval process that adds significant time and delay to proposed transit projects.

Lastly, now that the federal interstate highway system is in place investments should turn towards safety and maintenance of existing systems. Cities and counties no longer receive federal monies directly, but regions should provide incentive programs to support safety and maintenance of city streets and county roads for areas that forward climate change policies.

RTAC recommends:

- ~~RTAC supports~~ Reform in the federal legislation to level the playing field between different modes.
- ~~s~~ Simplify the process for building new transit.
- ~~and f~~ Free up some of the proposed \$500 billion available over the next six years to support the operations of the state's transit agencies.
- Provide financial incentives in the form of safety and maintenance funding for jurisdictions that contribute towards GHG emission reductions by protecting critical resource areas and farmland, or implement strategies to support city-oriented growth.